

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Talking Points for the DCI's 5 December 1989 1515 Meeting with Ann McLaughlin, Chairman of the President's Commission on Aviation Security and Terrorism

FROM:

Special Assistant to the DCI for Counterterrorism

EXTENSION

NO.

ER 89-5174

DATE

4 December 1989

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Special Assistant/Deputy Director for Operations

2. Associate Deputy Director for Operations

3. Deputy Director for Operations

4. Deputy Director of Central Intelligence

5. Director of Central Intelligence

6.

7.

8. Special Assistant to the DCI for Counterterrorism 6F39, Hqs.

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Attached is a background paper and talking points for the DCI's meeting with Ann McLaughlin, Chairman of the President's Commission on Aviation Security and Terrorism, on Tuesday, 5 December 1989, at 1515 hours in room 345 at the OEOB.

[Redacted], Special Assistant to the DCI for Counterterrorism will also be in attendance.



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SUBJECT: Background for DCI Meeting with Ann McLaughlin,
Chairman of the President's Commission on Aviation
Security and Terrorism, 5 December 1989

- The Counterterrorist Center (CTC) was advised by
Mrs. McLaughlin's Executive Assistant that she would like to
discuss two main issues:

- 1) The general process for sharing information within
the Intelligence Community which may have a bearing
on civil aviation.
- 2) The "Traficant Report" which refers to public
comments Congressman Traficant made in November
in response to the report on the Pan Am 103
bombing prepared by a private investigator for
Pan Am's insurance company.

- Mrs. McLaughlin may also be interested in a briefing on
the status of the Agency's investigation into the bombing of
Pan Am 103. Talking points have been included for your use.
Chief, CTC will be with you to answer specific questions and you
can offer to have him give Mrs. McLaughlin the longer
intelligence briefing on Pan Am 103--with the boards--at a later
date.

Background on the Commission

- President Bush signed an Executive Order on 4 August,
1989 establishing a Commission to review and evaluate policy
options in connection with aviation security, with particular
reference to the destruction of Pan Am Flight 103. The
Commission was also charged with reviewing options for handling
terrorist threats--including prior notification of the
public--and with investigating policies and laws concerning the
treatment of families of victims of terrorist acts.
Mrs. McLaughlin was named by the President to head the
Commission.

- Senators Mitchell and Dole had previously planned to
introduce legislation which would establish a Commission to
investigate air security and the downing of Pan Am 103. The
Secretaries of the Departments of Transportation and State, the
Attorney General, and the Director of Central Intelligence
objected to the legislation. Discussions between Senator
Mitchell and the White House resulted in a compromise
solution--the Presidential Commission--which both Senators
Mitchell and Dole supported.

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-- Senator Mitchell left open the possibility that the Commission's final report may serve as a basis for additional Congressional hearings or "as a basis for consideration of legislation by the appropriate committees of jurisdiction."

- The Presidential Commission is charged with submitting a report to President Bush by February 1990, with an unclassified version for public distribution.

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CIA role in crash doubted

THE LONDON OBSERVER

LONDON — Serious doubts have arisen as to the credibility of an investigator's report claiming that the CIA allowed terrorists to place a bomb on board Pan Am Flight 103, following a detailed investigation by The Observer.

The report is a central plank in Pan Am's defense of a \$300 million lawsuit brought by relatives of the 270 persons who died when the aircraft was blown up over Lockerbie, Scotland, 11 months ago. Sections of the report have been selectively leaked and used as the basis for a rash of newspaper stories which have added to the speculation surrounding the tragedy.

Pan Am's insurers commissioned the report from an Israeli intelligence expert based in New York. As a result of his findings, the airline issued subpoenas demanding information from the CIA and five other U.S. intelligence agencies.

Lawyers representing the victims' relatives fear the subpoenas could delay their claim for damages on the grounds of negligence by as much as five years. As the agencies will strenuously contest any attempt to force information from them, Pan Am will be able to argue it was prevented from presenting a complete case.

If the report is nonsense, the airline's case, and its credibility, will be severely damaged. Pan Am is at pains to point out that it is not claiming the report is accurate, merely that it wishes to establish the truth through the subpoenas.

In essence, the report's findings absolve Pan Am of responsibility for lax security in its operation at Frankfurt airport, where it is believed the bomb began its journey before being transferred at Heathrow to the doomed 747.

The report claims an autonomous CIA unit based in Frankfurt, West Germany, struck a deal with a Syrian, drug dealer with terrorist connections. He was supposedly allowed to smuggle heroin into the United States in return for helping to negotiate the release of American hostages in Beirut. Knowing of his 'protected' route, the bombers used his network to place the device on board the plane.

It also alleges that specific warnings that Flight 103 was the target of a terrorist attack were suppressed because they would have exposed the "drugs-for-hostages" deal.

Five pages of the 27-page report, containing details of the alleged plot and subsequent cover up, were released earlier this month.

The missing pages have been obtained by The Observer from a variety of sources, to whom they had been selectively leaked for reasons that remain obscure. If true, the report exposes one of the greatest scandals in the history of the CIA.

However, The Observer has established that:

- Many of the "facts" in the report are inaccurate.

- Much information attributed to "intelligence" or "terrorist" sources had already appeared in newspapers.

- Although information about the Syrian, Monzer Al-Kassar, does come from "security" sources, no Lockerbie link is proved.

In New York last week, the report's author, using the alias 'Avner', failed to provide one piece of hard evidence to support his accusations, despite promising that he would. Instead, he made even more startling allegations which proved on close examination to be either uncheckable or untrue.

The conclusion of the report, which Avner says was made without the cooperation of official investigators, says: "Unlike other investigators, we know what happened, who did it, how, where, when and why, and that the U.S. government possesses vital evidence."

Bert Ammerman, president of the Victims of 103 in America, said: "If this report is not true it would represent a cynical and reprehensible attempt by Pan Am to avoid culpability for this horrendous tragedy."

- Distributed by Scripps Howard.

The Washington Post _____
The New York Times _____
The Washington Times A-7
The Wall Street Journal _____
The Christian Science Monitor _____
New York Daily News _____
USA Today _____
The Chicago Tribune _____

Date 27 Nov '89

Page _____

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SUBJECT: Talking Points for DCI Meeting with Ann McLaughlin,
Chairman of the President's Commission on Aviation
Security and Terrorism, 5 December 1989

Processing Threat Information Relating to Civil Aviation

- When the Agency receives information concerning threats to airlines, we issue a classified intelligence report to the appropriate U.S. Embassies, military commands, the U.S. Intelligence Community, appropriate foreign intelligence services, and--always--to the Federal Aviation Administration (FAA).
- If the threat is imminent, the report is immediately disseminated electronically to the FAA and the rest of the Community.
- A separate, declassified message is simultaneously prepared for the FAA to use in a security bulletin for the airlines. If the threat information was provided by a foreign intelligence service--this occurs in about half of our threat information--we must obtain permission from the originating service to declassify the information for use in a security bulletin.
- The Agency's Counterterrorist Center (CTC) maintains a close working relationship with the intelligence arm of the FAA. With particularly time-sensitive information, CTC passes the information by secure telephone, which is then followed with the electronic message described earlier.
- CTC also uses secure telephone contact with the FAA to discuss various other aspects of threat reporting--such as false/forged passports known to be used by terrorists--which can then be declassified for passage to the airlines. The FAA also calls upon us for additional background information on a particular terrorist group or past terrorist incidents.

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The false allegations claim:

- There was a CIA operation--codenamed "Corea"--to smuggle drugs through Pan Am's Frankfurt terminal as part of a larger drugs-for-hostages operation. This operation purportedly used Monzer Qassar--a Syrian drug dealer with well-known terrorist links.
- Ahmed Jabril--leader of the PFLP-GC terrorist organization--knew of the drug operation and used it to place a bomb aboard Pan Am flight 103.
- The Israelis had warned the Germans and the CIA of the threat but the CIA failed to act upon it in order to protect the CIA operation.

- I would like to emphasize that this Agency had no threat information which would have provided advance warning of the Pan Am 103 tragedy. During the November/December 1988 timeframe, the U.S. Embassy in Helsinki did receive the so-called "Helsinki threat" to an American carrier from a telephone call-in. This threat information was provided to the FAA, airlines, and appropriate intelligence services, although the source was subsequently determined to be a fabricator.

- There was no CIA drugs-for-hostages operation at Frankfurt airport. Monzer Qassar--the individual that was supposed to have been working for the CIA in the alleged operation--is in fact a known terrorist supporter and narcotics trafficker.

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Background on the Pan Am 103 Investigation

- A compelling body of intelligence indicates that the bombing of Pan Am 103 was the outcome of joint planning by the Popular Front for the Liberation of Palestine--General Command and Iran (PFLP-GC), to avenge the downing of Iran Air Flight 655.

- Intelligence and evidentiary leads are still being pursued to identify the operational scenario by which the bomb was actually placed aboard the aircraft. A conclusive statement of accountability for the bombing may have to await the identification of the operatives actually responsible for placing the bomb aboard the aircraft.

- The primary intelligence objectives of the CIA task force investigating the tragedy are to:

- identify the individual responsible for placing the bomb into the luggage of Pan Am 103 and the terrorist group responsible for the operation.
- identify the state sponsor(s) of the bombing and the funding for the operation.
- pursue the intelligence leads that continue to develop from the West German and Scottish investigators.

- The CIA task force--working closely with the FBI and various foreign intelligence services--uses all-source information in its effort to investigate both the bombing and the activities of groups and individuals suspected of involvement. The Agency assists the legal investigation by providing leads to the FBI and facilitating FBI access to potential witnesses who are available only with the consent of friendly foreign intelligence services. The Agency also provides assessments of the significance of new information in the context of CIA's overall intelligence on Middle Eastern terrorist groups and their state sponsors.

- The work of the forensic examiners has been particularly impressive. Most recently, investigators of the Pan Am bombing are focusing on Malta and on a group of former or current members of the Palestine Popular Struggle Front (PPSF) based in Sweden.

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- Investigators discovered that clothing items packed in the suitcase containing the Pan Am 103 bomb were purchased at "Mary's Boutique"--a clothing store in Malta--between 18 November and 21 December 1988.
- From witness descriptions, investigators were able to create a composite sketch of the purchaser; no firm identification has been made to date.

- We have linked the PPSF group in Sweden to the PFLP-GC group that was arrested by the West Germans in October 1988 while preparing altimeter bombs for placement aboard aircraft. We are now attempting to obtain a complete understanding of the inter-relationships, group affiliations, and activities of several extended Palestinian families based in Sweden.

-- One of the PFLP-GC operatives in Germany--with longstanding ties to both Libya and the PPSF, also visited Malta shortly before the arrests in West Germany--possibly in support of the PFLP-GC operation. We are attempting to determine whether this suspect, or any of his contacts in Sweden, traveled to Malta between 18 November and 21 December 1988, when clothing packed with the bomb was purchased in Malta.

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